

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of NorthWestern) Application No. NG-111.4
Energy, Sioux Falls, South)
Dakota, seeking to modify its)
tariff due to the February 2021) ORDER OPENING DOCKET AND
cold weather event and) GRANTING TEMPORARY
establish a surcharge for) MODIFICATION OF TARIFF
commercial sales customers who)
convert to transportation)
service.)
) Entered: September 7, 2021

BY THE HEARING OFFICER:

On March 2, 2021, the Nebraska Public Service Commission ("Commission"), on its own motion, opened Commission Docket No. NG-111¹ for the purpose of gathering information regarding and formulating a response to the effect of the February 2021 cold weather event upon the cost of gas supply purchased by Nebraska gas utilities subject to the Commission's jurisdiction under the State Natural Gas Regulation Act, Neb. Rev. Stat. §§ 66-1801 - 66-1868. In that docket, on May 11, 2021, the Commission approved a recovery plan submitted by NorthWestern Corporation d/b/a NorthWestern Energy, of Sioux Falls, South Dakota ("NorthWestern").² NorthWestern's recovery plan set forth a proposal to recover \$25.4 million in expenses from the cold weather event through a 24-month Cold Weather Gas Cost Recovery Mechanism. The plan as proposed and approved did not address costs incurred by transportation customers on NorthWestern's system at the time of the cold weather event.

On September 7, 2021, NorthWestern filed an application to modify its tariff with regard to costs incurred by customers electing to convert from retail service to transportation service subsequent to the February cold weather event. NorthWestern seeks an effective date of the tariff changes of September 8, 2021. The modification to its rate 97 and rate 99 transport tariffs sought by NorthWestern seeks to implement a per therm charge for any retail customer transferring from retail to transport rates. This

¹ *In the Matter of the Commission, on its own motion, seeking to investigate the effect of the February 2021 cold weather event upon the cost of gas supply purchased by Nebraska gas utilities.* The Commission also opened subdockets NG-111.1, relating to Black Hills, and NG-111.2, relating to NorthWestern Energy, on March 2, 2021.

² Commission Docket No. NG-111.2, *Order Approving Recovery Plan*, entered May 11, 2021.

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per therm charge will be applied to the customer's monthly billings through May 31, 2023. NorthWestern's proposal to use a volumetric charge through the PGA will ensure remaining retail customers are held harmless if a current rate 92, 94 or 95 retail customer decides to become a transport rate customer before May 31, 2023.³ The surcharge imposed will follow the customer electing to change to transportation service, and will be the same surcharge charged as if the customer had remained a retail customer. NorthWestern states that this modification is necessary in order to ensure that customers who contributed to the \$25.4 million in incremental February 2021 cold weather event gas costs pay their fair share of those costs, and to avoid any prohibited cost shifting and/or cross subsidization between classes.

Neb. Rev. Stat. § 66-1808 and 291 Neb. Admin. Code § 9-008 govern the implementation of jurisdictional utility tariffs. Generally speaking, jurisdictional utility tariffs may not be made effective unless filed with the Commission at least thirty days prior to the proposed effective date. However, the Commission may, for good cause, allow a tariff to become effective on less than thirty days' notice. Neb. Rev. Stat. § 66-1808(2).

I hereby find that NorthWestern has demonstrated good cause for allowing this tariff to become effective on September 8, 2021. If the proposed surcharges do not become operative prior to the conversion of customers from retail service to transportation service, it is likely that those customers would avoid their fair share of costs incurred by the February 2021 cold weather event.⁴ This would result in an undue burden placed on other NorthWestern customers to make up those costs. NorthWestern's request for an accelerated effective date of the tariff change is appropriate in this instance.

I therefore find that the proposed tariff changes shall be allowed to proceed as requested, effective September 8, 2021, and subject to modification or refund following review by the Commission and by any intervenors in this docket. The above-described application will be filed as Commission Docket No. NG-111.4 and published as a new docket in order to allow for the intervention of any interested parties. A copy of this order shall

³ Application at 2.

⁴ See 291 Neb. Admin. Code § 9-008.02 (prohibiting the collection of any rate or charge not prescribed in a jurisdictional utility's effective tariff filed with the Commission).

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be distributed to the Public Advocate and to all Nebraska Certified Natural Gas Providers.

O R D E R

IT IS THEREFORE ORDERED that the above-described application of NorthWestern Corporation d/b/a NorthWestern Energy shall be filed as a new docket, that notice of this docket shall be published in the Daily Record, and that a copy of this order shall be distributed to the Public Advocate and to all Nebraska Certified Natural Gas Providers.

IT IS FURTHER ORDERED that the proposed Revised Tariff Sheets Nos. 6.1 and 6.6 filed by NorthWestern Corporation d/b/a NorthWestern Energy shall become effective on September 8, 2021, subject to further review and modification by the Commission.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 7th day of September, 2021.

BY:



Tim Schram
HEARING OFFICER